

UNITED STATES
DEPARTMENT OF THE INTERIOR

1 File
SUBMIT IN TRIPPLICATE*
(Other Instructions on Reverse Side)

Form approved.
Budget Bureau No. 1004-1-3
Expires August 31, 1985

BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT" for such proposals.)

1. OIL WELL ☐ GAS WELL ☒ OTHER
2. NAME OF OPERATOR
NASSAU RESOURCES, INC.
3. ADDRESS OF OPERATOR
P.O. Box 809, Farmington, N.M. 87499
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
1160' FNL - 1060' FWL

14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, GW, etc.)
7295' GL

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

- | NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | | | | | |
|-------------------------|--------------------------|-------------------------------------|--------------------------|-----------------------|--------------------------|-----------------|--------------------------|
| TEST WATER SHUT OFF | <input type="checkbox"/> | PULL OR ALTER CASING | <input type="checkbox"/> | WATER SHUT OFF | <input type="checkbox"/> | REPAIRING WELL | <input type="checkbox"/> |
| FRACTURE TREAT | <input type="checkbox"/> | MULTIPLE COMPLETE | <input type="checkbox"/> | FRACTURE TREATMENT | <input type="checkbox"/> | ALTERING CASING | <input type="checkbox"/> |
| SHOOT OR ACIDIZE | <input type="checkbox"/> | ABANDON* | <input type="checkbox"/> | SHOOTING OR ACIDIZING | <input type="checkbox"/> | ABANDONMENT* | <input type="checkbox"/> |
| REPAIR WELL | <input type="checkbox"/> | CHANGE PLANT | <input type="checkbox"/> | (Other) | <input type="checkbox"/> | | |
| (Other) | Change Proration Unit | <input checked="" type="checkbox"/> | | | | | |
17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*
- (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

The proration unit has been changed from the W/2 to the N/2.

A C-102 plat is attached.

RECEIVED

JUN 19 1989

BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

RECEIVED

JUL 1 0 1989

OIL CON. DIV.
DIST. 9

18. I hereby certify that the foregoing is true and correct

SIGNED Fran Perrin
Fran Perrin
(This space for Federal or State office use)

TITLE Admin. Asst.

DATE 6/13/89

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE

ACCEPTED FOR RECORD

DATE JUL 07 1989

FARMINGTON RESOURCE AREA

BY YH

*See Instructions on Reverse Side

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator Nassau Resources, Inc.		Lease Carracas Unit 33 B		Well No. 4
Unit Letter D	Section 33	Township 32 North	Range 4 West	County Rio Arriba
Actual Footage Location of Well: 1160 feet from the North line and 1060 feet from the West line				
Ground Level Elev. 7295	Producing Formation Fruitland	Pool Basin Fruitland Coal	Dedicated Acreage: N/320.0 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Unitization - Carracas Unit

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.

NM 30014 Kindermac Partners 100%	
1160'	1060'
SECTION 33	
RECEIVED JUN 19 1989 BUREAU OF LAND MANAGEMENT FARMINGTON RESOURCE AREA	

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Fran Perrin

Name

Fran Perrin

Position

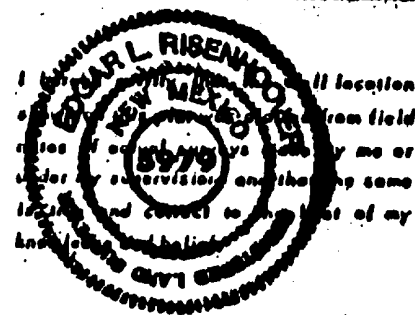
Admin. Asst.

Company

Nassau Resources, Inc.

Date

6/13/89



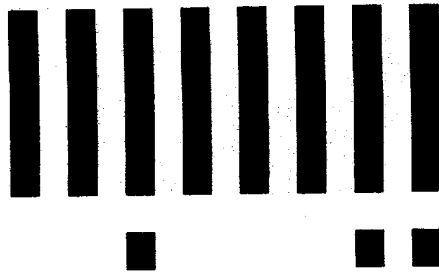
Date Surveyed
August 11, 1988

Registered Professional Engineer
and/or Land Surveyor

Edward L. Risenhover

Certificate No. 5979

Edward L. Risenhover, L.S.



LTR



Job separation sheet

EXHIBIT "A"
CASE NO. 9559
ORDER NO. R-8844

WELL LOCATION

<u>WELL NAME AND NUMBER</u>	<u>FOOTAGE</u>	<u>U-S-T-R</u>	<u>DEDICATED ACREAGE</u>
✓ Carracas Unit 17-B No. 15	650 FSL - 2070 FEL	O-17-32N-4W	E/2 (320 acres)
✓ Carracas Unit 19-B No. 4	1170 FNL - 830 FWL	D-19-32N-4W	Lots 1, 2, 3, 4 and the E/2 W/2 (300.52 acres)
✓ Carracas Unit 21-B No. 5	1655 FNL - 1185 FWL	E-21-32N-4W	N/2 (320 acres)
✓ Carracas Unit 25-B No. 15	640 FSL - 1500 FEL	O-25-32N-4W	E/2 (320 acres)
✓ Carracas Unit 26-B No. 16	790 FS & EL	P-26-32N-4W	E/2 (320 acres)
✓ Carracas Unit 27-B No. 5	1740 FNL - 1800 FWL	E-27-32N-4W	N/2 (320 acres)
✓ Carracas Unit 30-B No. 16	1100 FSL - 790 FEL	P-30-32N-4W	Lots 3 and 4, the E/2 SW/4, and the SE/4 (310.55 acres)
✓ Carracas Unit 31-B No. 5	1770 FNL - 830 FWL	E-31-32N-4W	Lots 1, 2, 3, 4 and the E/2 W/2 (300.96 acres)
✓ Carracas Unit 32-B No. 5	1630 FNL - 790 FWL	E-32-32N-4W	N/2 (320 acres)
✓ Carracas Unit 33-B No. 4	1160 FNL - 1060 FWL	D-33-32N-4W	W/2 (320 acres)
✓ Carracas Unit 33-B No. 16	790 FSL - 1950 FEL	P-33-32N-4W	E/2 (320 acres)
✓ Carracas Unit 35-B No. 9	1850 FSL - 790 FEL	I-35-32N-4W	E/2 (320 acres)
✓ Carracas Unit 36-B No. 15	1190 FSL - 1850 FEL	O-36-32N-4W	E/2 (320 acres)
✓ Carracas Unit 14-A No. 4	790 FN & WL	D-14-32N-5W	N/2 (320 acres)
✓ Carracas Unit 15-A No. 16	200 FSL - 500 FEL	P-15-32N-5W	S/2 (320 acres)
✓ Carracas Unit 21-A No. 15	790 FSL - 1850 FEL	O-21-32N-5W	E/2 (320 acres)
✓ Carracas Unit 22-A No. 16	790 FS & EL	P-22-32N-5W	E/2 (320 acres)
✓ Carracas Unit 25-A No. 16	640 FSL - 710 FEL	P-25-32N-5W	E/2 (320 acres)
✓ Carracas Unit 36-A No. 5	1450 FNL - 910 FWL	E-36-32N-5W	W/2 (320 acres)

NON-RECORDED

RECEIVED

JAN 20 1989

OIL CON. DIV.

DIST. 3

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9559
ORDER NO. R-8844

APPLICATION OF NASSAU RESOURCES, INC.
FOR NINETEEN UNORTHODOX COAL GAS
WELL LOCATIONS, RIO ARRIBA COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 21, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 17th day of January, 1989, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) At the time of the hearing this case was consolidated with Division Case No. 9560 for the purpose of testimony.

(3) The applicant, Nassau Resources, Inc., seeks approval of 19 unorthodox coal gas well locations, as described in Exhibit "A" attached hereto and made a part hereof, to test the Basin-Fruitland Coal (Gas) Pool, Rio Arriba County, New Mexico.

(4) On October 17, 1988, the Division entered Order R-8768 which adopted Special Rules for the Basin-Fruitland Coal (Gas) Pool including RULE 7 which provides in part that the first well drilled in a 320-acre unit shall be located in either the NE/4 or SW/4 of a governmental section and that it be located no closer than 790 feet to the outer boundary of the spacing unit.

(5) Prior to the adoption of the rules for this pool, the applicant in this case, Nassau Resources, Inc., formed the Carracas Canyon Unit in Rio Arriba County, New Mexico, 97.7 percent of which acreage is federal leases.

(6) The preliminary drilling by the applicant in the unit area has provided sufficient information to reasonably conclude that a substantial portion of the unit can be developed for Basin-Fruitland Coal (Gas) production.

(7) The Carracas Canyon Unit in Rio Arriba County, New Mexico, lies almost entirely within the Carson National Forest with all surface use including location of these wells subject to the jurisdiction of the United States Forest Service and to the Carson National Forest Land and Resource Management Plan.

(8) Included among the surface use restrictions for well locations, roads and pipelines to access these wells within the Carracas Canyon Unit were topographical restrictions concerning soil conservation, steepness of slope, limitation on grade for roads, forest preservation, wildlife habitat management and archeological/historical artifact preservation.

(9) The applicant with due diligence has attempted in each section of the unit to locate two wells at locations which would conform to standard well locations under the current RULE 7 of Order No. R-8768. Said U.S. Forest Service Management Plan in the Carson National Forest requires that future use of the Carracas Canyon area surfaces involves maximizing the use of existing roads and minimizing construction of new roads.

(10) For each spacing unit for the proposed nineteen unorthodox coal gas well locations, the applicant has been unable to locate and obtain U.S. Forest Service approval for a standard well location within that proposed spacing unit.

(11) The District Forest Ranger for the Jicarilla Ranger District, whose area encompasses the subject unit area, testified on behalf of the applicant at the hearing that each of the proposed nineteen unorthodox gas well locations has either been approved or is acceptable. His testimony also indicated that in some instances while a surface location may be possible at a standard well location, there is no acceptable location for the necessary roads and pipeline rights of way to access the well locations.

(12) While the proposed nineteen wells are off-pattern locations under the Special Rules for the Basin-Fruitland Coal (Gas) Pool, they will provide for an orderly development of the unit on 320-acre spacing patterns.

(13) No interest owner in the unit nor any interested party adjoining the unit appeared and objected to this application.

(14) The District Ranger also provided supporting testimony which indicates that approval of this application would enable the applicant and the United States Forest Service to implement an orderly plan for exploration and development which is consistent with oil and gas conservation and will not adversely impact environmental concerns.

Case No. 9559
Order No. R-8844
Page No. 3

(15) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the coal gas in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

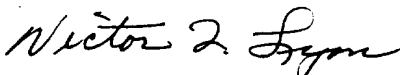
IT IS THEREFORE ORDERED THAT:

(1) The application of Nassau Resources, Inc. for exceptions to RULE 7 of Division Order No. R-8768 allowing 19 unorthodox coal gas well locations, as shown on Exhibit "A" attached hereto and made a part hereof, within their Carracas Canyon Unit Area, Rio Arriba County, New Mexico, for the Basin-Fruitland Coal (Gas) Pool is hereby approved.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

for 
WILLIAM J. LEMAY
Director

S E A L